



Council Meeting: February 9, 2010

SUBJECT: Increase Construction Contingency for Project 801101 and 827010, Heating, Ventilation, and Conditioning (HVAC) and Roofing at the Water Pollution Control Plant.

REPORT IN BRIEF

The report requests additional contingency in the amount of \$36,000 for the construction project awarded by Council to Environmental Systems Incorporated (ESI) of Santa Clara on June 23, 2009 (RTC -09-174).

BACKGROUND

The construction contract was awarded in the amount of \$778,500 to ESI with a contingency of \$77,850. After construction began it became apparent that the existing black iron hot water pipe above the ceiling in the laboratory building needed replacement. The piping was replaced through a Contract Change Order with ESI for \$36,094, significantly depleting the project contingency.

Additional smaller contract changes to address a variety of other items, typically uncovered in these types of rehabilitation projects, have further decreased the project contingency to \$3,300. The construction is approximately 60% complete. Additional contingency funds may become necessary to complete the work and avoid delays.

FISCAL IMPACT

The increased contingency will come from projects 801101 and 827010 for the HVAC and roof rehabilitation. These projects are funded by the wastewater fund. There are sufficient funds available in these project budgets for this purpose.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. Increase the project contingency in the amount of \$36,000 to complete the project.
2. Do not increase the project contingency and do not complete other work that may be necessary to complete the project.

RECOMMENDATION

Staff recommends Alternative No. 1: Increase the project contingency in the amount of \$36,000 to complete the project.

The contingency will only be used if contract change orders are necessary to complete the project. Unused funds in the contingency will be available to support additional **Sunnyvale Works!** wastewater Capital Projects. Without a sufficient project contingency, if additional work is necessary, it would need to be delayed to obtain authorization, which could have additional cost impact to the project, or the ongoing operation of the Water Pollution Control Plant laboratory.

Reviewed by:

Marvin Rose, Director, Public Works

Prepared by: Mark Rogge, Assistant Director of Public Works

Reviewed by:

Mary Bradley, Finance Director

Approved by:

Gary M. Luebbbers, City Manager